



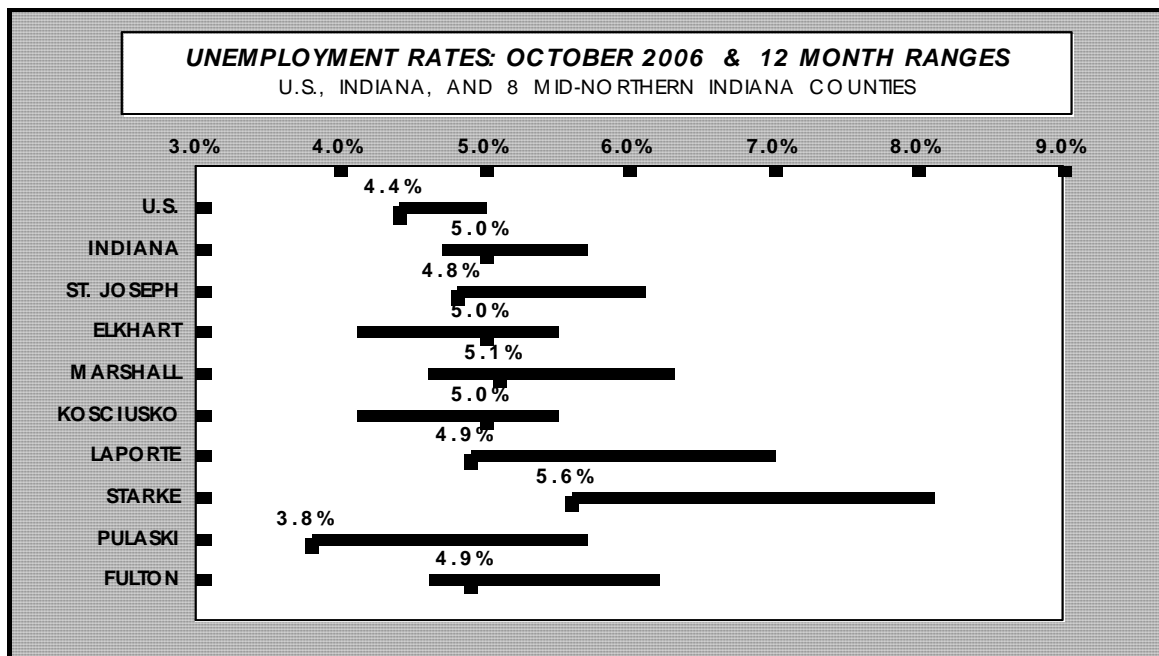
## Labor Market Review

DECEMBER 2006

MID-NORTHERN INDIANA EDITION

UNEMPLOYMENT RATES					LABOR FORCE TOTALS		
Area	Unemp Rate Oct 2006	Rank Hi-Lo 1to92	Unemp Rate Yr Ago	Oct 05 to Oct 06 (up/dn)	Total Labor Force	Number Employed	Number Unemployed
U.S.*	4.4%		4.9%	dn 0.5	152,397,000	146,125,000	6,272,000
Indiana*	5.0%		5.4%	dn 0.4	3,282,000	3,131,500	150,500
St. Joseph	4.8%	40	4.7%	up 0.1	138,370	131,790	6,580
Elkhart	5.0%	31	4.3%	up 0.7	106,170	100,820	5,350
Marshall	5.1%	28	4.6%	up 0.5	23,330	22,130	1,200
Kosciusko	5.0%	34	4.0%	up 1.0	43,660	41,470	2,190
LaPorte	4.9%	38	5.4%	dn 0.5	55,160	52,430	2,730
Starke	5.6%	14	6.1%	dn 0.5	10,810	10,210	600
Pulaski	3.8%	79	4.5%	dn 0.7	7,220	6,940	280
Fulton	4.9%	37	4.7%	up 0.2	10,660	10,140	520

Notes: Oct. 2006 data is preliminary, rounded, & was released Nov. 22, 2006. Data are estimates using federal procedures. Degree of accuracy will vary. \* Seasonally adjusted. Data for ranges in the chart below have been updated and revised to the 2006 Benchmark. The more recent U.S. unemployment rate for Nov 2006 was 4.5%, seasonally adjusted.



**NON-FARM EMPLOYMENT IN INDIANA**

Employment estimates for nonfarm industries are derived from a monthly survey of over 7,700 Indiana employing establishments and include full-time and part-time wage and salaried workers. Current month estimates may be revised slightly if additional data received in the following month warrants a change and may be revised when new benchmarks are constructed annually. Industry employment is coded under the 2002 North American Industry Classification System (NAICS).

**NON-FARM EMPLOYMENT ESTIMATES**  
**ELKHART-GOSHEN MSA (ELKHART COUNTY)**

INDUSTRY	NOV 2006	OCT 2006	NOV 2005	CHANGE FROM			
				OCT 2006 TO NOV 2006		NOV 2005 TO NOV 2006	
<b>TOTAL NONFARM EMPLOYMENT</b>	<b>131,900</b>	<b>132,100</b>	<b>130,200</b>	<b>-200</b>	<b>-0.2%</b>	<b>1,700</b>	<b>1.3%</b>
Total Private Employment	123,000	123,300	121,200	-300	-0.2%	1,800	1.5%
<b>GOODS PRODUCING</b>	<b>69,400</b>	<b>69,600</b>	<b>68,500</b>	<b>-200</b>	<b>-0.3%</b>	<b>900</b>	<b>1.3%</b>
Natural Resources & Construction	5,100	5,100	5,100	0	0.0%	0	0.0%
Manufacturing	64,300	64,500	63,400	-200	-0.3%	900	1.4%
---Durable Goods	55,100	55,400	54,600	-300	-0.5%	500	0.9%
Transportation Equipment	32,100	32,100	31,000	0	0.0%	1,100	3.5%
Motor Veh Body/Trailers	25,700	25,900	24,600	-200	-0.8%	1,100	4.5%
Furniture & Related	4,400	4,400	3,900	0	0.0%	500	12.8%
<b>SERVICE PRODUCING</b>	<b>62,500</b>	<b>62,500</b>	<b>61,700</b>	<b>0</b>	<b>0.0%</b>	<b>800</b>	<b>1.3%</b>
Private Service Providing	53,600	53,700	52,700	-100	-0.2%	900	1.7%
---Trade,Transportation, Utilities	19,300	19,100	18,700	200	1.0%	600	3.2%
Wholesale Trade	6,800	6,800	6,500	0	0.0%	300	4.6%
Retail Trade	10,000	9,800	9,700	200	2.0%	300	3.1%
Transp/Warehousing/Utilities	2,500	2,500	2,500	0	0.0%	0	0.0%
---Information	800	800	800	0	0.0%	0	0.0%
---Financial Activities	3,100	3,100	3,100	0	0.0%	0	0.0%
---Professional & Business	8,800	8,900	8,500	-100	-1.1%	300	3.5%
---Educational & Health	10,600	10,600	10,700	0	0.0%	-100	-0.9%
---Leisure & Hospitality	7,200	7,300	7,100	-100	-1.4%	100	1.4%
Food Svcs / Drinking Places	6,300	6,300	6,300	0	0.0%	0	0.0%
---Other Services	3,800	3,900	3,800	-100	-2.6%	0	0.0%
Government	8,900	8,800	9,000	100	1.1%	-100	-1.1%
---Federal Government	300	300	300	0	0.0%	0	0.0%
---State Government	300	300	300	0	0.0%	0	0.0%
---Local Government	8,300	8,200	8,400	100	1.2%	-100	-1.2%
Education	5,600	5,500	5,700	100	1.8%	-100	-1.8%

-- NATURAL RESOURCES AND MINING EMPLOYMENT SHOWN ONLY IN TOTAL NONAGRICULTURAL, PRIVATE & GOODS PRODUCING

-- CONSTRUCTION EMPLOYMENT SHOWN ONLY IN TOTAL NONAGRICULTURAL, PRIVATE & GOODS PRODUCING

-- EMPLOYMENT DATA ROUNDED TO THE NEAREST HUNDRED AND THUS MAY NOT ADD TO THE TOTAL SHOWN

-- MSA - METROPOLITAN STATISTICAL AREA (ELKHART-GOSHEN MSA = ELKHART COUNTY)

### NON-FARM EMPLOYMENT IN INDIANA

Employment estimates for nonfarm industries are derived from a monthly survey of over 7,700 Indiana employing establishments and include full-time and part-time wage and salaried workers. Current month estimates may be revised slightly if additional data received in the following month warrants a change and may be revised when new benchmarks are constructed annually. Industry employment is coded under the 2002 North American Industry Classification System (NAICS).

### NON-FARM EMPLOYMENT ESTIMATES

#### SOUTH BEND - MISHAWAKA MSA\*

INDUSTRY	NOV 2006	OCT 2006	NOV 2005	CHANGE FROM			
				OCT 2006 TO NOV 2006		NOV 2005 TO NOV 2006	
<b>TOTAL NONFARM EMPLOYMENT</b>	<b>148,500</b>	<b>148,200</b>	<b>150,000</b>	<b>300</b>	<b>0.2%</b>	<b>-1,500</b>	<b>-1.0%</b>
Total Private Employment	131,700	131,400	132,700	300	0.2%	-1,000	-0.8%
<b>GOODS PRODUCING</b>	<b>27,700</b>	<b>27,900</b>	<b>28,400</b>	<b>-200</b>	<b>-0.7%</b>	<b>-700</b>	<b>-2.5%</b>
Natural Resources & Construction	6,300	6,400	6,600	-100	-1.6%	-300	-4.5%
Manufacturing	21,400	21,500	21,800	-100	-0.5%	-400	-1.8%
Transportation Equipment	5,700	5,700	5,900	0	0.0%	-200	-3.4%
<b>SERVICE PRODUCING</b>	<b>120,800</b>	<b>120,300</b>	<b>121,600</b>	<b>500</b>	<b>0.4%</b>	<b>-800</b>	<b>-0.7%</b>
Private Service Providing	104,000	103,500	104,300	500	0.5%	-300	-0.3%
---Trade, Transportation, Utilities	29,200	28,500	29,100	700	2.5%	100	0.3%
Wholesale Trade	7,900	7,800	7,600	100	1.3%	300	3.9%
Retail Trade	16,800	16,200	16,900	600	3.7%	-100	-0.6%
General Merch Stores	4,200	3,800	4,300	400	10.5%	-100	-2.3%
Transp/Warehousing/Utilities	4,500	4,500	4,600	0	0.0%	-100	-2.2%
---Information	2,100	2,100	2,200	0	0.0%	-100	-4.5%
---Financial Activities	7,100	7,100	7,200	0	0.0%	-100	-1.4%
---Professional & Business	14,300	14,400	14,500	-100	-0.7%	-200	-1.4%
---Educational & Health	32,400	32,400	32,900	0	0.0%	-500	-1.5%
Hospitals	6,200	6,200	6,100	0	0.0%	100	1.6%
---Leisure & Hospitality	13,200	13,300	12,700	-100	-0.8%	500	3.9%
Food Svcs / Drinking Places	10,600	10,600	10,200	0	0.0%	400	3.9%
---Other Services	5,700	5,700	5,700	0	0.0%	0	0.0%
Government	16,800	16,800	17,300	0	0.0%	-500	-2.9%
---Federal Government	1,200	1,200	1,200	0	0.0%	0	0.0%
---State Government	2,600	2,600	2,600	0	0.0%	0	0.0%
---Local Government	13,000	13,000	13,500	0	0.0%	-500	-3.7%

-- NATURAL RESOURCES AND MINING EMPLOYMENT SHOWN ONLY IN TOTAL NONAGRICULTURAL, PRIVATE & GOODS PRODUCING

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\* MSA - METROPOLITAN STATISTICAL AREA (SOUTH BEND-MISHAWAKA MSA = ST. JOSEPH COUNTY, IN, & CASS COUNTY, MI)

## **EMPLOYER COSTS FOR EMPLOYEE COMPENSATION**

The U.S. Labor Department's Bureau of Labor Statistics has recently released their news release on costs to employers for employee compensation. The following is from this news release.

### ***All U.S. civilian workers***

The U.S. Department of Labor's Bureau of Labor Statistics reported employer costs for employee compensation averaged \$27.31 per hour worked in September 2006. Wages and salaries, which averaged \$19.12, accounted for 70 percent of these costs, while benefits, which averaged \$8.18, accounted for the remaining 30 percent. Employer costs for insurance benefits - life, health, and disability - averaged \$2.22 per hour (8.1 percent of total compensation). Legally required benefits, including Social Security, Medicare, unemployment insurance, and workers' compensation, averaged \$2.19 per hour (8.0 percent of total compensation); paid leave benefits (vacations, holidays, sick leave, and other leave) averaged \$1.91 (7.0 percent); and retirement and savings benefits averaged \$1.18 (4.3 percent) per hour worked.

### ***Private industry***

In September 2006, private industry employer compensation costs averaged \$25.52 per hour worked. Wages and salaries averaged \$18.04 per hour (70.7 percent), while benefits averaged \$7.48 (29.3 percent). Employer costs for legally required benefits averaged \$2.18 (8.6 percent) per hour worked, insurance benefits averaged \$1.89 (7.4 percent), paid leave averaged \$1.73 (6.8 percent), retirement and savings averaged 93 cents (3.6 percent), and supplemental pay averaged 75 cents (2.9 percent).

### ***Compensation costs in state & local gov't***

In September 2006, employer costs in state and local governments averaged \$37.91 per hour worked. Wages and salaries, which accounted for 67.3 percent of the total, averaged \$25.53, while benefits, which accounted for the remaining 32.7 percent, averaged \$12.38. Benefit costs increased from 31.4 percent of total compensation and \$10.89 per hour for state and local government workers in September 2004.

Among state and local government employees, average hourly compensation costs industry, bargaining status, region, and establishment size were higher for management, professional, and related occupations (\$46.66) than for service occupations (\$28.72) and sales and office occupations (\$25.85). Wages and salaries averaged \$32.96 per hour worked for management, professional, and related occupations; \$17.48 for service occupations; and \$16.03 for sales and office occupations. Wages and salaries accounted for about the same proportion of total compensation for service employees (60.9 percent) and sales and office employees (62.0 percent); for management, professional, and related employees, wages and salaries represented a significantly higher proportion of total compensation (70.6 percent).

For state and local government employees, employer costs for insurance benefits ranged from \$3.45 per hour, or 12.0 percent of total compensation for service occupations, to \$4.57 per hour worked, or 9.8 percent of total compensation for management, professional, and related occupations. For sales and office occupations, employer insurance costs averaged \$3.96, or 15.3 percent of compensation. The largest component of insurance costs was health insurance, which averaged \$4.05, or 10.7 percent of total compensation for state and local government employees. Health insurance costs in September 2004 were \$3.49 and 10.0 percent of total compensation.

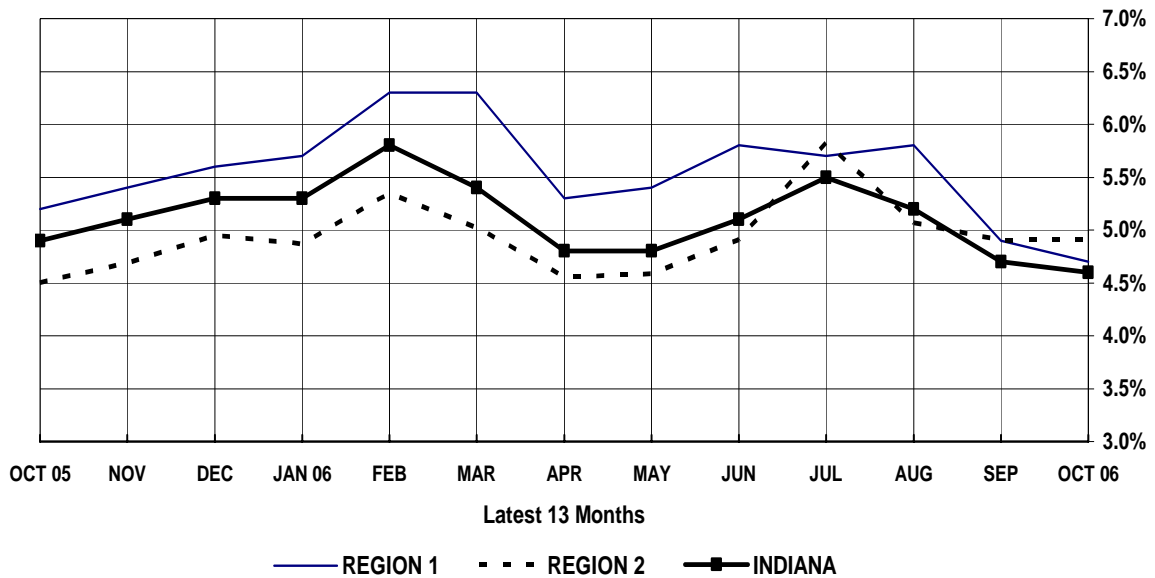
The average cost for retirement and savings benefits was \$2.68 per hour worked in state and local governments (7.1 percent of total compensation). Included in this amount were employer costs for defined benefit plans, which

averaged \$2.39 per hour (6.3 percent), and defined contribution plans, which averaged 29 cents (0.8 percent). Defined benefit costs were \$1.97 per hour and 5.7 percent of total compensation in September 2004. Defined benefit plans specify a formula for determining future benefits, while defined contribution plans specify employer contributions but do not guarantee future benefits.

Further information from this BLS report including data tables can be accessed via the report table of contents links which are listed at the following Internet address: <http://www.bls.gov/news.release/eccec.toc.htm>

## REGIONAL UNEMPLOYMENT RATES\*

Region 1, Region 2, & Indiana



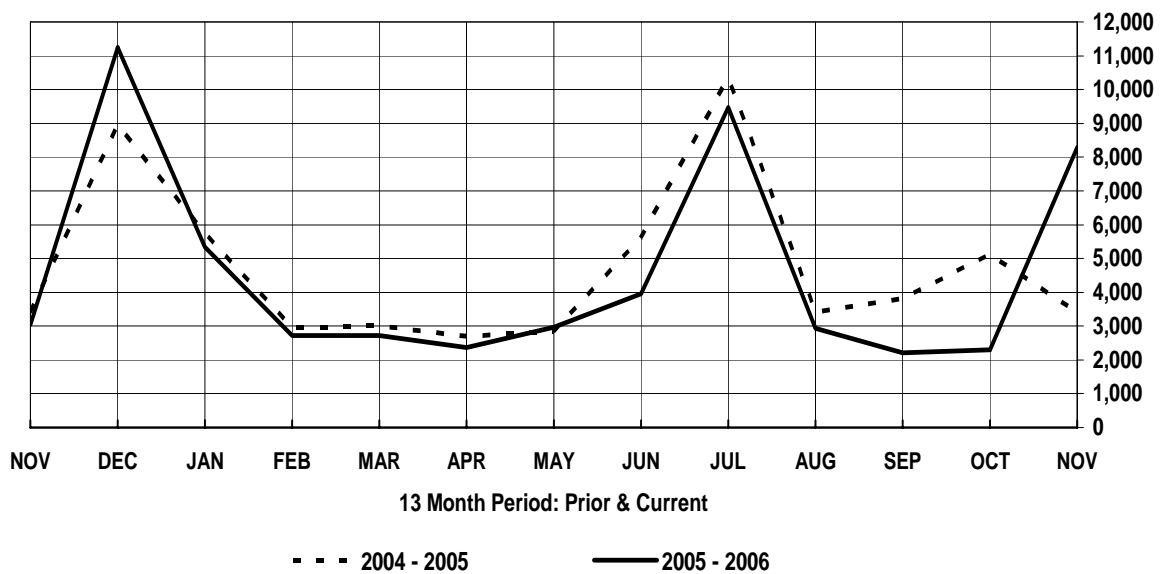
\* Unemployment rates are not seasonally adjusted

Notes: Region 1 consists of Indiana Counties Lake, Porter, LaPorte, Newton, Jasper, Starke, & Pulaski

Region 2 consists of Indiana Counties St. Joseph, Elkhart, Marshall, Kosciusko, & Fulton

## INITIAL CLAIMS FOR UNEMPLOYMENT BENEFITS

Region 2 Unemployment Benefit Offices



Note: Region 2 unemployment benefits offices are in the cities of South Bend and Elkhart